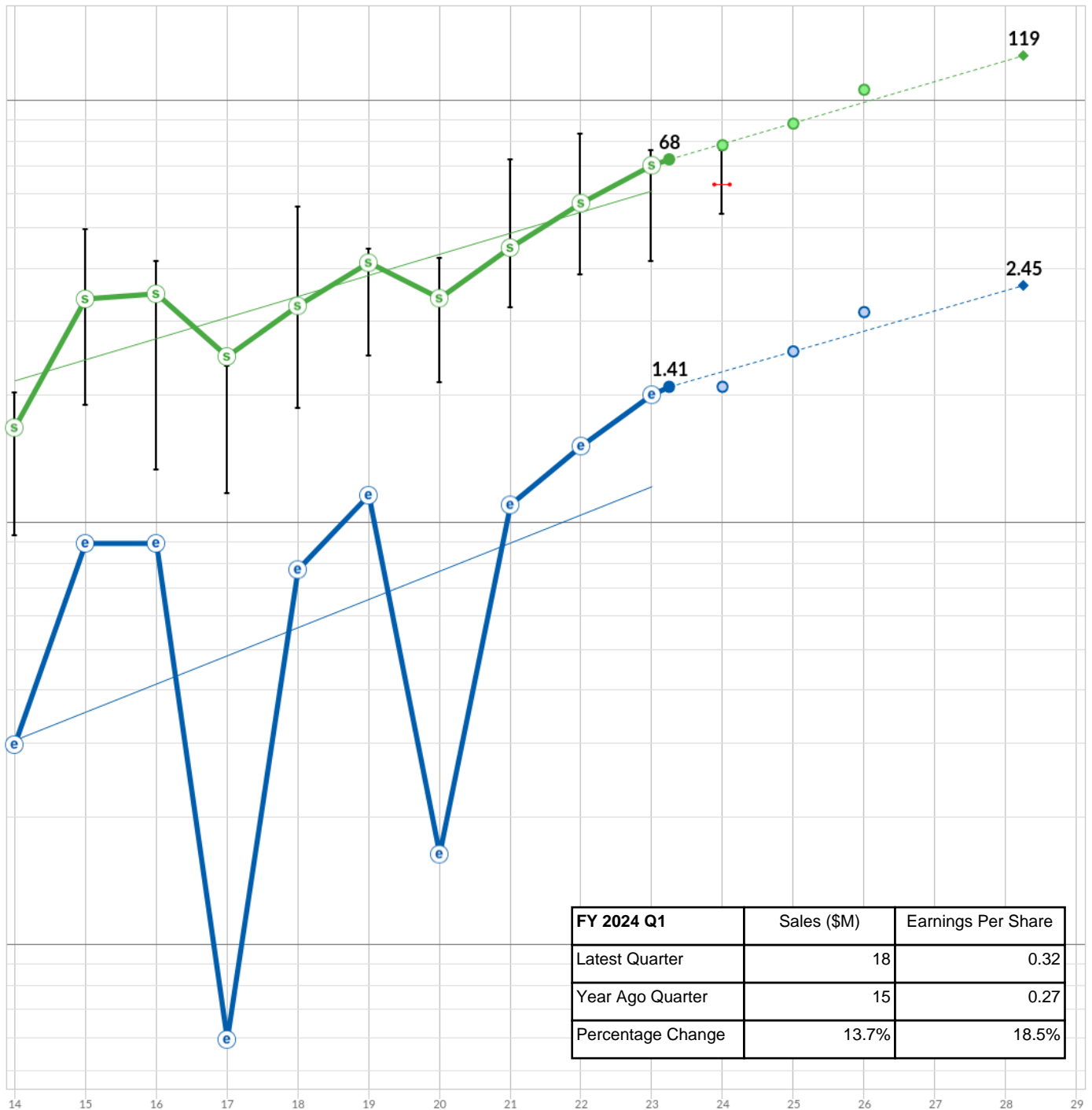


# Stock Selection Guide

Company	iRadimed	Date	06/07/24
Prepared by	Ty H.	Data taken from	BI Stock Data
Where traded	NAS	Industry	Medical Devices
Capitalization --- Outstanding Amounts	Reference		
Preferred (\$M)	0.0	% Insiders	% Institution
Common (M Shares)	12.8	3.9	23.3
Debt (\$M)	1.9	% to Tot Cap	2.5 % Pot Dil 0.7

Symbol: IRMD

## 1 VISUAL ANALYSIS of Sales, Earnings, and Price



- |                                   |       |  |       |
|-----------------------------------|-------|--|-------|
| (1) Historical Sales Growth       | 12.2% | (3) Historical Earnings Per Share Growth       | 16.6% |
| (2) Estimated Future Sales Growth | 12.0% | (4) Estimated Future Earnings Per Share Growth | 11.7% |

## 2 EVALUATING Management

iRadimed

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Last 5 Year Avg.
% Pre-tax Profit on Sales	19.3%	36.8%	33.7%	6.0%	20.4%	23.5%	-1.9%	23.5%	30.4%	33.2%	21.7%
% Earned on Equity	10.7%	23.9%	21.0%	1.3%	14.3%	17.7%	2.2%	13.7%	18.4%	22.9%	15.0%
% Debt To Capital	0.0%	0.0%	0.0%	0.0%	0.0%	5.1%	4.2%	3.3%	2.9%	2.8%	3.7%

## 3 PRICE-EARNINGS HISTORY as an indicator of the future

This shows how stock prices have fluctuated with earnings and dividends. It is building block for translating earnings into future stock prices.

**CURRENT PRICE** 42.50 (06/07/24)

**52-WEEK HIGH** 51.04

**52-WEEK LOW** 36.12

	A	B	C	D	E	F	G	H
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout	% High Yield
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100	F / B * 100
2019	29.8	16.7	0.78	38.2	21.4	0.00	0.0	0.0
2020	28.4	14.4	0.11	258.5	131.0	0.00	0.0	0.0
2021	48.8	21.7	0.74	65.9	29.3	0.00	0.0	0.0
2022	55.9	26.0	1.02	54.8	25.5	0.00	0.0	0.0
2023	51.0	27.9	1.35	37.8	20.6	0.15	11.1	0.5
<b>AVERAGE</b>		<b>21.3</b>		<b>49.2</b>	<b>24.2</b>		<b>2.2</b>	
CURRENT/TTM			1.41	36.2	25.6	0.60	42.6	
<b>AVERAGE PRICE EARNINGS RATIO: 36.7</b>					<b>CURRENT PRICE EARNINGS RATIO: 30.1</b>			

## 4 EVALUATING RISK and REWARD over the next 5 years

Assuming one recession and one business boom every 5 years, calculations are made of how high and how low the stock might sell. The upside-downside ratio is the key to evaluating risk and reward.

### A HIGH PRICE - NEXT 5 YEARS

Avg. High P/E 49.0 X Estimate High Earnings/Share 2.45 = Forecasted High Price \$ 120.1

### B LOW PRICE - NEXT 5 YEARS

(a) Avg. Low P/E 36.0 X Estimate Low Earnings/Share 1.36 = Forecasted Low Price \$ 49.0

(b) Avg. Low Price of Last 5 Years 21.3

(c) Recent Market Low Price 26.0

(d) Price Dividend Will Support  $\frac{\text{Indicated Dividend}}{\text{High Yield}} = \frac{0.60}{0.54\%} = 111.5$   
Selected Forecasted Low Price \$ 26.0

### C ZONING using 25%-50%-25%

Forecasted High Price 120.1 Minus Forecasted Low Price 26.0 = 94.1 Range. 25% of Range 23.5

Buy Zone 26.0 to 49.5  
Hold Zone 49.5 to 96.5  
Sell Zone 96.5 to 120.1

Present Market Price of 42.50 is in the **BUY** Zone

### D UPSIDE DOWNSIDE RATIO (POTENTIAL GAIN VS. RISK OR LOSS)

$\frac{\text{High Price} - \text{Current Price}}{\text{Current Price} - \text{Low Price}} = \frac{120.1 - 42.50}{42.50 - 26.0} = \frac{77.55}{16.50} = 4.7$  To 1

### E PRICE TARGET (Note: This shows the potential market price appreciation over the next five years in simple interest terms.)

$\frac{\text{High Price}}{\text{Current Price}} = \frac{120.1}{42.50} = 2.8247$  X 100 = 282.47 - 100 = 182.5 % Appreciation

## 5 5-YEAR POTENTIAL

This combines price appreciation with dividend yield to get an estimate of total return. It provides a standard for comparing income and growth stocks.

**A**  $\frac{\text{Indicated Annual Dividend}}{\text{Current Price}} = \frac{0.60}{42.50} = 0.0141 = 1.4\%$  Current Yield

### B AVERAGE YIELD - USING FORECAST HIGH P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast High PE}} = \frac{11.1\%}{49.00} = 0.2\%$

### AVERAGE YIELD - USING FORECAST AVERAGE P/E

$\frac{\text{Avg. \% Payout}}{\text{Forecast Average PE}} = \frac{11.1\%}{42.50} = 0.3\%$

### C COMPOUND ANNUAL RETURN - USING FORECAST HIGH P/E

Annualized Appreciation 23.1 %  
Average Yield 0.2 %  
Annualized Rate of Return 23.3 %

### COMPOUND ANNUAL RETURN - USING FORECAST AVG P/E

Annualized Appreciation 19.6 %  
Average Yield 0.3 %  
Annualized Rate of Return 19.9 %